LETTER

TO HIS EXCELLENCY

SIR FRANCIS BOND HEAD

K. G. H., &c. &c. &c.

AS TO RAIL ROADS

IN UPPER CANADA,

AND THE

MEANS OF CONSTRUCTING THEM

WITHOUT THE AID OF

FOREIGN CAPITAL.

BY JAMES BUCHANAN, ESQ.
HIS MAJESTY'S CONSUL AT NEW-YORK.

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TO HIS EXCELLENCY

SIR FRANCIS BOND HEAD, K. G. H.

LIEUT. GOVERNOR OF THE PROVINCE OF

UPPER CANADA.

&c. &c. &c.

Sir:

I need not inform Your Excellency of the hitherto dormant state of the public mind, in the Province committed to your charge.—The fact is lamentably too apparent, that the Province, with its vast capabilities, is far behind the adjoining States. To review the various causes, to which such are assigned, is not my present object, but to bring before Your Excellency the consideration of measures in which the sure prosperity of the Province is included; and I the more confidently address Your Excellency, inasmuch as you have assumed the responsibility for the promotion of the best interests of the Province, not only to our Gracious Sovereign, who feels so deep an interest in the Province, but also to the people. A trial of your Administration you very justly have demanded before you are to be judged; and inasmuch as the people have returned a House of Representatives, with a large majority avowedly disposed to act in accordance with Your Excellency's policy; and although various concurring circumstances of a highly favorable na-

ture, have arisen to animate the Community at large, in favor of internal improvements, yet, I shall be among those to award to Your Excellency, the honor and the glory which I feel confident is now attainable, by the adoption of those measures within the means of the Province. To call forth the public strength is my object; yet, should the Province remain distracted and dead to the vast advantages within reach—on Your Excellency, I feel, should in like manner rest the reproach. I write thus freely, as I have derived great satisfaction from hearing from some of those displeased with Your Excellency's Administration, that they would co-operate heart and hand as to all the great measures of improvement, if placed under the control of men of integrity, and free from all jobbing which has heretofore so widely prevailed in the Public expenditure of the Province. One obstacle alone seems to damp the spirit of the people, namely; want of Capital, while the dread of borrowing, as thereby creating an annual drain out of the Province, of the Interest on such loans, seems to have damped their hope. To meet this difficulty is the object of this Address; but before I come to the development of my plans, I grieve to say, I have found some leading characters, who, though, loud declaimers in favor of Improvement, and lamenting the want of public spirit, yet, are the veriest croakers; and so selfish, that though they would gain five pounds by certain expenditure, yet, as others would gain ten pounds, their hearts would not be in the measure.—Others seem unwilling to cherish a chicken which does not proceed from their own egg, and still a more formidable party, can only see advantage to the Province, if the Railway or other improvements pass by, or near their lands; public utility being out of the question.

I need not warn Your Excellency as to scrutinizing the motives of all who profess an interest in any particular line of rail way or public measure; happily for the Province you view *men as they are*, not as they should be, and place in the crucible of your discriminating mind, the motives of men's approval or disapproval. I shall be much disappointed if it will not be generally known, that Your Excellency's approval is not to be had upon any other terms than such as all honorable men will approve, and that every proposition and objection, unless the public interest uphold it, will find a determined opposition from Your Excellency.—One word more as prefatory:—I doubt not Your Excellency will keep the great interests of the Province in view—not the advantages of one section above another, while the adoption of that line which will draw most traffic along with it, and more largely promote the general interests of the Empire, will assuredly be sanctioned, with due regard to expenditure.

The first and paramount consideration, is to have respect to the astonishing spread of population towards the West, so as to draw the vast trade which must arise, through the Province, before finding other channels to the Ocean.

Toronto and Hamilton are two prominent outlets, which tend more to British interests than the line contemplated to terminate at Black Rock. Three lines are in view, to draw the trade of Lake Michigan and Lake Superior towards Toronto; one by a direct line to Saugeng or Goderich, on Lake Huron; and the third to Penetanguishine. The second great project is from the River St. Clair, by Chatham, London, Brantford, to Hamilton; another from London to Sarnia on the River St. Clair. The following are the distances with which I have been furnished;

though they may not be strictly accurate, yet they are sufficiently so, to draw attention to the relative advantages of each. By the line direct from London to Sarnia, the centre of the Province it is alleged is opened, the distance to the River St. Clair sixty miles shorter than by way of Chatham; and the entire country stated to be one plain, admirably adapted to a rail-way; that pursuing that line across to the St. Joseph, in Michigan, the distance being about 270 miles, then cross the Lake to Milwakee, to which Steamers would run to Chicago, and from Milwakee due West to Cassville in the Wisconsin Territory, and there meet the Mississippi, thus opening a communication from the Mississippi to New York as follows:—

	Miles.	Hours.
From Cassville to Milwakee by Rail-way,	100	7
Milwakee to St. Joseph, by Steam, . . .	70	7
St. Joseph to River St. Clair at Sarnia, by Rail-way, ...	270	16
Sarnia to Hamilton, Rail-way, ...	150	11
Toronto to Oswego, by Steam, ...	120	13
Oswego to Albany, Rail-way, ...	——	9
New York, Steam, ...	150	12
Miles from the Mississippi to the Atlantic,		74

From Detroit to Sarnia a daily conveyance by Steam, distance 40 miles.

As also from Chicago to Milwakee—distant about 35 m's.

These observations, as far as from London to the Mississippi, I derived from a truly intelligent gentleman residing in Michigan—but I mention them for investigation, as notwithstanding the astonishing changes which Steam has effected of late years; yet, the line which appears of so dazzling a character, that I really tremble at drawing attention to it. I admit the various conflicting interests as to routes, imposes a respon-

sibility of fearful extent, and one which will redound to the *glory or reproach of Your Excellency's Administration,* while at the same time, I deem it of importance to ascertain the views of the Citizens of Michigan, if expressed through their Legislature, as I am truly anxious to impress upon the Inhabitants of the West, that they will find every facility afforded in passing and re-passing to the Atlantic through the Province of Upper Canada, so as to cherish a kindly feeling, as such is the true interest, and invariably promotes the wealth of that country, whose Rules and Laws foster such liberal sentiments. I now come to what is deemed the most important consideration, namely :—"How are the funds to be raised ?"

Four plans are submitted, and while I take the liberty to express my opinion freely thereon, I dare not deny the same right to others, but with this proviso :—that those who condemn, shall be required to exhibit a better or more practicable. Our fault-finding gentry are very numerous, and their vanity leads them to sustain each other in decrying down measures without building up.

The first and most general plan is, for a private Company to subscribe for the stock—with a fair view to profit-----contemplating the vast population, which, within a few years have spread to the West, and the multitude which are increasingly bending their course Westward, and the immense region extending along and around the great Lakes, whose nearest route to the Atlantic will pass through the Province—where is such a field for speculation as to a Rail-way to be found, holding forth a prospect of profit more certain---than any line which old Countries furnish, and may prove a sufficient inducement, and no doubt would call forth funds, if in the Province.

2d. The Province assuming the work in whole or in part upon the plea that the general interest, will thereby be benefited, and that the return will remunerate the Province as has been the case with the State of New York.

3d. The authorising the proprietors of lands and building lots, within such a range of the road as renders the Railway one of advantage to these lands to contribute—and like all other improvements, those who are benefited should contribute, being in all cases the mode adopted in the City and State of New York, as well as in other countries, as to general improvements.

And 4th. The establishing of a Provincial Land Bank, Capital one Million Pounds, which should be authorized to connect with the Bank such lines of Railway, as to the Legislature, from time to time upon the application of the Stockholders, would appear as calculated to prove profitable stock, those lines to be preferred where the proprietors of lands within the range of twelve miles each side became stockholders to one half of the estimate, or otherwise held out the greatest advantage.

These four measures I shall advert to as briefly as I can, to render my views intelligible.

As to the first, such would be most desirable, were there any hopes that without resorting to non-residents the necessary funds could be raised; as I view the remitting of dividends out of the Province greatly to be deprecated, as tending to impoverish it, but where other means of carrying on improvements are not attainable, such a resource must of necessity be acted on. On the other hand, on political grounds it may be sound policy to admit absentees or even aliens to share in the works of the Province, as thereby a kindly feeling is cherished, and those aliens become identified with the well being of the Province. As to the 2nd:

It is deeply to be lamented that many of the works undertaken by, or in any way aided by the Legislature have been so conducted as to falsify the expectation held forth, while in other cases works have been constructed, though under the supervision of persons named by the Legislature, whereby jobbing and promoting private interest have infused a distrust, so general, that a thorough change, it is respectfully stated, must take place, before confidence can be restored; the Welland Canal though a private work, the works guarding the passage into Burlington Bay, the Bridge on the 12 Mile Creek, the Desjardins Canal, the Paris Bridge, as well as many other works, as also the prodigal misapplication of money on roads, if I am to credit various testimonies, and from what I have seen of some of those referred to, I do not wonder at the general expression of distrust as to the misapplication of the public monies, but these statements may have arisen from other than pure motives, yet I deem it proper to set them forth as I found them universal, no honorable mind will feel affected, "when the shoe does not pinch the foot does not wince." I firmly believe the people are loyal and sound, and I trust a new era has arisen on the Province, so that a vigilant and faithful accountability shall be exacted from all as to public expenditure, and that no man, whatever his influence may be with a party in Parliament, shall find shelter from open and searching investigation, under Your Excellency's administration; no more hole and corner examinations, and thereby strike at the root of an evil which pervades other quarters as well as Canada, Your Excellency introducing a searching inquisitorial system, as to the application of public money is of the first importance, heretofore the most noisy declaimers have been found amongst the most

corrupt. As to the third measure, viz. raising the funds from the lands and town lots adjoining, or more immediately benefited by the rail-way, which plan has appeared in several of the provincial papers taking the expence at *L*2500 a mile which is ample from the facilities afforded, and spreading that sum to an extent of 12 miles each side of the rail-way on farms of 200 acres within each mile of the 24 in width, would give 77 farms, which would be 32,10*l*., or 130 dollars to each farm—but agreeably to the scale I laid down, of apportioning according to contiguity and advantage, those farms within the first mile were to subscribe *l*.60, the second *l*.55, the third *l*.50, the fourth *l*.45, and so declining *l*.5 a mile, this stock to be payable within three years by six instalments each year, and the proprietor of those lands to be Stockholders of the Rail-road stock, to the amount of such their subscription, so that such subscription should not be in the nature of a tax, but offered to each as the means of acquiring stock on terms truly within the reach of every man having a yoke of oxen or an axe. While to such as should find it inconvenient to advance the money, it should be loaned at six per cent., to be a charge on the lands and shares of stock for the amount advanced, the plan with the observations in relation thereto, as they were put forth in the newspapers before, I need not now particularize.

As to the fourth:

A Provincial Land Bank, Capital, one Million Pounds, this Bank I propose to base upon lands and valuable building lots in towns; on grist-mills, saw-mills, or other valuable property within range of the immediate influence of the Rail-ways: first, the Rail-way from Toronto to Lake Huron, and that from Hamilton to the River St. Clair; and after those shall be in operation in such other lines as may be approved by

the Legislature, and sanctioned by the Lieut. Governor for the time being. I therefore propose that all the proprietors of lands within 12 miles shall have the first offer of being admitted Stockholders to the extent of one dollar an acre for every acre of unincumbered lands, of which they are bona fide the proprietors, and that all resident inhabitants on lands within said ranges, shall have the like privilege of becoming Stockholders to the extent of two dollars an acre; that all subscribers to said stock, shall, upon subscribing, pay in ten per cent., that, should the amount of stock not be subscribed for, allowing such reasonable time as the Commissioners hereinafter to be named shall think proper; the privilege of subscribing for the stock shall be extended to the proprietors of lands within the Province, that the owners of all building lots in villages within one mile of the Rail-way, which without reference to the buildings, are valued at 50*l*., the owner to be admitted the same as a farm of 200 acres and entitle the proprietor to subscribe to the same amount. In order to manifest a liberal feeling, that stock to the amount of *l*.50,000 or 200,000 dollars, shall be placed for one month within the reach of the citizens of Michigan, based upon similar security, provided land can be rendered secure as to equal liability as lands in the Province, or guaranteed by the State. That the Mother Bank shall be located at Toronto, with branches at Hamilton, Dundas, Brantford, London, provided *l*.25.000 stock is subscribed at Hamilton, *l*.15,000 at Dundas, *l*.10,000 at Brantford, *l*.10,000 at London.

That the Stockholders shall annually elect Directors, in whom shall be vested the choice of Directors of the several Branches, as well as of the Mother Bank, for one year, that those alone are eligible who may hold stock to the

amount of £500, while all shares of £50 shall count as one vote.

That in accordance with the principles contended for by the Duke of Wellington as to the numerous lines of Rail-roads in England, an investigation by authorised commissioners should be had, before sanctioned by the Legislature. I therefore propose that your Excellency should appoint three gentlemen of high standing to act without any salary; which commissioners shall have full power to decide as to the most eligible line or lines of Rail way to be made or aided in the construction thereof by or from the funds of the Bank, with power to direct such examinations and surveys as to them shall seem meet, and in case of dissent, in such case the decision to rest with the Lieutenant Governor for the time being, who shall direct all such further examination as to his Excellency shall seem meet, so that the grounds for such decision shall be laid before the Legislature.

That said commissioners shall be required to sanction the appointment of all engineers, overseers, or officers, who may be employed in and about the construction of said Rail-ways or works connected therewith, as well as the compensation for their respective services; as also to have power at all times to investigate the affairs of the Bank.

That the Lieutenant Governor for the time being, in case of the death or absence from the Province of a Commissioner, to appoint one in place of any so dying or removing out of the country or otherwise displaced.

That no Commissioner shall by himself or others, either directly or indirectly be concerned in any contract or sale of property, in any way relating to public works, subject to their supervision, and that any contract in opposition to such exclusion, shall be null and void, and

render such commissioners incapable of continuing to act as such.

I have thus briefly, yet I fear rather obscurely, set before Your Excellency, a sketch of the proposed plans.—I pray Your Excellency to view what I have written as raw materials to be cast into the crucible, to be divested of the dross, as also to have added whatever may improve its adaptation to the Province; but as political Alchymists over run the land; I look with confidence, while their abilities may be turned to good account, that under the sanction of Your Excellency, the two great works shall be forthwith put in operation. I shall not herein advert to the opening a free transit from the Ocean through the Province to the people of Michigan, and the vast regions of the West, as I propose to do so in a separate work, in relation to the drawing the trade of those new countries through the natural outlet, and thereby *permitting* the St. Lawrence to afford all the vast advantages which it was designed to furnish. It may be prudent herein to observe as to the 4th plan, that in the city of New York there are three Banks connected with public works—one the Manhattan, for supplying the City with water, the other, the Dry Dock Bank, the third, the Chemical Bank. The best evidence of the soundness of the connection which I can offer, is, that the respective stocks of these three Banks bear the following premium, viz: the Manhattan from 25 to 28 per cent.; the Dry Dock 44 per cent., and the Chemical, 19 per cent. These facts put to flight all fears as to connecting a Bank with public works. And I run no hazard in saying, that as sure as population is advancing, and people are removing to the west, so sure will the proposed Rail-ways become most valuable Stock. Indeed I hesitate not to avow my deep conviction, that before two years in ope-

ration, the Rail-way shares will redeem the lands for the outlay—and did I say half that period, I would not hazard too much. I appeal to all reflecting men who will take the map and examine it, where is there such an unoccupied field to reap a certain profit as the proposed investment. Nay, I will add, that before the Rail-way is one year finished, the stock will sell for a premium over the expenditure, and leave the Company free, to proceed with other great undertakings.—See the value of the Rail-way stock from La Prairie to St. John, although only opened a few weeks, yet at a premium of from 15 to 20 per cent.

Since writing the foregoing I find that three Rail-roads are commenced in connection with a Bank in Georgia, and one in the Mississippi, —there, the whole Capital has to be paid in; but according to the present plan only 10 per cent. is required, while all who may have any funds unoccupied will have a place of deposit based upon not only ample but imperishable security.

It may be well to remark, that the Stockholders in the Bank of Upper Canada, and other Banks had to pay in £100 per cent on their shares, but under the proposed plan ten per cent is deemed ample, as it is presumed a Cash Capital of one hundred thousand pounds with the deposits which will be drawn thereto on account of bearing interest—such will be abundant for Banking purposes and having the security of the Lands which will be more certain than any other institution furnishes. The confidence in the security of the Bank will be great, moreover if one hundred thousand pounds in addition should be deemed necessary, that sum or more can be borrowed without difficulty,or a further call made on the Stockholders: and be it observed, that every pound expended on the rail-way is creating a

further security to the Public as increasing the value of the Land as well as a source of advantage so that for an advance of ten per cent Subscribers, owners of unprofitable Lands, become Stockholders in the two valuable measures the Bank and Rail-way, while the Lands and the Province are improved in value.

It may be alledged that I do not admit, those whohave no lands ~~are loath~~ to becomeStockholders and the advantages are too great in only requiring ten per cent to be paid in. My reply is, I have the prosperity not only of the Province, but of the residents and proprietors of Lands exclusively in view, so that they may not be laboring and toiling to send their earnings out of the Province, while it is possible to avoid it, one-fifth if not one-fourth of the Stock of Incorporated Companies of the United States, are held by foreigners nine-tenths British Capital, this is sound policy if it cannot be avoided. Canada may avoid it,may carry into operation her great Works and retain the profits.

In conclusion I would venture under the sanction of your Excellency to call on the several gentlemen who have so laudably come forward in relation to the proposed railway, to call meetings without delay and organize their operations so as to give effect to such of the plans I have the honor to submit, as may be deemed practicable.

Under any and every circumstance I shall feel honored in affording explanations or yielding aid, not only to my plan, but to such others as shall effect what I trust is, and will be the aim of all, as I am persuaded the desire of your Excellency is "the prosperity of the Province."

I have the honor to remain Sir,
Your Excellency's humble serv't.
J. BUCHANAN.